[Services](http://www.taxplanning.com/services.html) > [Business Valuation](http://www.taxplanning.com/businessvaluation.html)  
  
  
Outline The Valuation Report

1. Background information about the company
   1. Overview
   2. Description
   3. Date of the Valuation
   4. Ownership and Control of the Company
2. Assumptions:   
     
   - Listing of key assumptions
3. Valuation Methodologies (Use at least three to five methods)
4. Asset based valuation,
5. Liquidation value of the assets
6. Replacement value of the assets
7. Modified book value of the assets  
   Assets and liabilities are restated to their current fair market values. Items not found on the balance sheet, but that add to firm value, are included.   
   On the liability side, the value of any pending lawsuits or tax disputes would be disclosed.
8. Market comparables,  
   Most common method of valuation; sometimes called guideline company approach. Value of a firm is based on the observed market value of a comparable company relative to its earnings.
   * Comparison Factors include
     + Capital Structure
     + Credit status
     + Depth of management
     + Personnel experience
     + Nature of the competition
     + Maturity of the business
9. Capitalization of earnings  
   Often applied to sales rather than earnings
10. Excess earnings approach  
    Created to deal with goodwill
11. Discounted cash flow (DCF) valuation or present value of the firm's “free” cash flows.
12. Summary